

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF CAWOOD WATER DISTRICT) CASE NO. 2011-00358

ORDER

On August 30, 2011, Cawood Water District ("Cawood") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Cawood purchases water from Pineville Utility Commission ("Pineville"). Cawood uses this water solely to serve its Path Fork Area water distribution system.
2. On September 1, 2011, Pineville increased its volumetric wholesale rate to Cawood from \$1.97 per 1,000 gallons to \$2.42 per 1,000 gallons.
3. On August 16, 2011, Cawood's Board of Commissioners voted to increase its rates for water service provided through its Path Fork Area distribution system commensurate with Pineville's rate increase, effective September 1, 2011.
4. Cawood proposes a purchased water adjustment factor of \$0.55 per 1,000 gallons to be applied to its rates for service provided by its Path Fork Area distribution system.

¹ KRS 278.015; 807 KAR 5:068.

5. During the 12 months ending July 31, 2011, Cawood purchased 6,580,000 gallons of water from Pineville and sold 5,459,904 gallons of water to customers served through its Path Fork Area distribution system.

6. The purchased water adjustment factor of \$0.55 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Cawood renders on and after September 1, 2011.

IT IS THEREFORE ORDERED that:

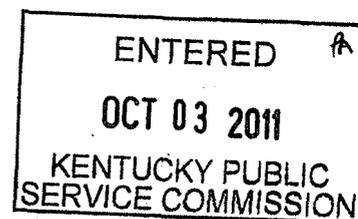
1. Cawood's proposed rates for customers served through its Path Fork Area distribution system are approved.

2. The purchased water adjustment factor of \$0.55 per 1,000 gallons as calculated in Appendix A is approved.

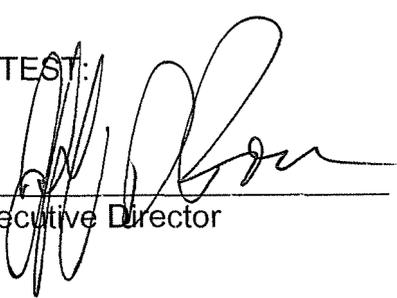
3. The rates in Appendix B are approved for service rendered on or after September 1, 2011.

4. Cawood's proposed tariff sheet filed with the application, showing the rates approved herein, is approved.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00358 DATED **OCT 03 2011**

| | New Rate | Base Rate |
|-----------------------------------|----------------------|--------------------------|
| Pineville | | |
| Purchases in gallons | 6,580,000 | 6,580,000 |
| Volumetric rate | <u>\$2.42 /1,000</u> | <u>\$1.97/1,000</u> |
| | \$15,923.60 | \$12,962.60 |
| | | |
| Increased water cost | | \$2,961.00 |
| | | |
| Increased water cost | | \$2,961.00 |
| Divided by gallons sold | | <u>5,459,904</u> |
| Purchased water adjustment factor | | \$0.55 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00358 DATED **OCT 03 2011**

The following rates and charges are prescribed for the customers in the area served by Cawood Water District-Path Fork Area Customers. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Path Fork Area Customers - Monthly Water Rates

| | | | |
|-------|----------------|---------|-------------------|
| First | 2,000 gallons | \$23.45 | Minimum Bill |
| Next | 8,000 gallons | 9.08 | per 1,000 gallons |
| Over | 10,000 gallons | 7.08 | per 1,000 gallons |

Lana Pace
Finance Officer
Cawood Water District
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